

Income Collection Policy

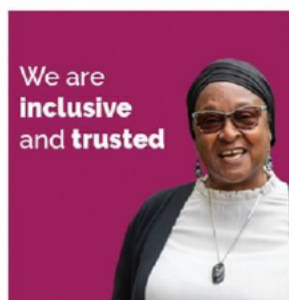
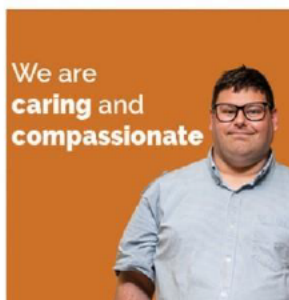
Our Vision

Building better lives through social care and housing in local communities.

Our Mission

We co-design and deliver services that offer innovative social care solutions and support people to thrive.

Our Values



Cally Yard
439 Caledonian Road
London N7 9BG
T: 0333 010 4600

lookahead.org.uk

 **Look Ahead**
CARE, SUPPORT AND HOUSING

1. Introduction

- 1.1 We have a duty to maximise our income through the collection of rent and other accommodation related charges. We aim to collect all monies owed to us to enable us to invest in our buildings and provide services to maintain our accommodation.
- 1.2 We support customers to understand and claim the full range of benefits they are entitled to in order to maximise their own personal income and to make sure they can afford to pay the rent whether as self-payers or through the housing element of Universal Credit.
- 1.3 Our approach to rent recovery is based on:
 - Early intervention – contacting the customer as soon as a payment is missed
 - Working with the customer to agree a repayment agreement that is reasonable and realistic for them
 - Monitoring the arrears and taking further action if the repayment agreement is breached
 - Escalating intervention through to legal action only when all other attempts to support the customer to clear the arrears have failed
- 1.4 We will take a consistent and proportionate approach to income collection and arrears recovery, recognising the individual circumstances and needs of our customers.
- 1.5 This policy applies to customers where we are responsible for collecting rent and other accommodation related charges. This policy applies to all Look Ahead properties where we are charging a rent –social rents, intermediate rents and specialist, supported housing rents.

2. Definitions

- 2.1 **Rent:** As a Registered Social Landlord we charge our tenants and residents rent to live in our properties. The rent is the charge levied per week on the property.
- 2.2 **Service charge:** We charge a service charge in our rents. The service charge is the cost of the services we provide for the management and up keep of the property. Service charges can include the provision of security (CCTV monitoring, equipment depreciation and maintenance), cleaning, heating and lighting in communal areas, as well as grounds maintenance and other services. Housing benefit will normally pay the charge for communal services.
- 2.3 **Personal service charge:** For some of our properties we pay the gas, electricity and water rates for the customer's own room (non-communal areas) and then charge it back in the rent breakdown as the personal service charge. These services are not covered by housing benefit, so the customer needs to pay the personal service charge out of their own money to us. The amount of the personal service charge will be clearly stated in the licence or tenancy agreement.

- 2.4 **Housing Benefit:** Housing Benefit is a welfare benefit paid by the local authority to pay the rent for claimants who are on a low income or claim other qualifying welfare benefits. This is normally paid direct to us by the local authority. Most of our customers will be eligible for full or partial Housing Benefit.
- 2.5 **Universal Credit:** Universal Credit is a means-tested benefit for people of working age who are on a low income. Universal Credit may pay the rent in the form of Universal Credit housing costs where customers are deemed to be living in our unsupported properties.
- 2.6 **All Pay:** All Pay is an external company which provide rent and service charge collection services for us and other housing providers. This means that our customers are issued with an AllPay card which can be used to pay the rent or All Pay can be used to set up direct debits.
- 2.6 **Rebiling:** There may be an agreement in place for another organisation to pay the rent on behalf of the customer as they have no recourse to public funds (for example housing benefit) or for some other reason such as the customer being a minor or having been under a particular mental health section before entering our accommodation. Such scenarios are called rebilling as our Finance Team will invoice these funders for these payments.
- 2.7 **Missed payment:** A rent payment not received by us - whether that is a payment due from the customer themselves or the housing benefit service - is referred to as a missed payment. This will then trigger the arrears procedure in terms of the action we will then take to inform the customer of the missed payment and to seek payment.
- 2.8 **Notice of Seeking Possession:** This is the first stage in legal proceedings to gain possession of a property let on an assured or assured shorthold tenancy. It indicates why we are seeking possession of the property, for example when the rent account is in rent arrears and the date the notice comes into effect after which we can apply to the county court for a possession order.
- 2.9 **Notice to Quit:** This is the first stage in legal proceedings to gain possession of a property let on a protected licence. It gives the Licensee 28 days' notice of our intention to take possession of a property.
- 2.10 **Section 21 Notice:** This is a 2 month notice which can only be used where the tenant holds an assured shorthold tenancy. It gives the tenant 2 months' notice of our intention to take possession of the property and the date we can apply to the county court for a possession order.
- 2.11 **Notice Terminating Licence to Occupy:** This type of notice is issued to customers who hold an excluded licence agreement. It informs the Licensee of our intention to take possession of the property, normally in 28 days' time although sometimes a shorter notice period is used. We do not need to obtain a possession order in the county court in order to take possession of a property let under an excluded licence agreement.

- 2.12 **County Court Pre-action protocol for possession claims:** Registered Social Landlords are expected to evidence a number of steps they have taken when a customer accrues rent arrears, before applying to the county court for a possession order. These include making early contact with a customer when their rent account first gets into rent arrears, making sure the customer understands their rent account information and checking that customers are receiving any welfare benefits, including housing benefit they are entitled to. Court possession proceedings should be a last resort.
- 2.13 **Bailiff Warrant:** If we obtain a possession order in the county court against a tenant a Bailiff's Warrant is still needed to evict the tenant from their property. This means that we would apply to the county court for a bailiff appointment to conduct the eviction and the legal authority given to the bailiff to do this task is termed a "bailiff warrant".

2. Rent & Service Charges

- 2.1 We will only accept referrals for accommodation where evidence is provided that the customer is able to meet their rent and service charge costs, either from their personal income, entitlement to benefits or guaranteed social services payments.
- 2.2 We provide customers with a full breakdown of their accommodation related costs and an explanation of their rent and service charges at the start of their occupation.
- 2.3 It is the customer's responsibility to pay rent and all other accommodation related charges when they sign their occupancy agreement. In the case of guaranteed social services payments, it is the commissioning body's responsibility for paying these charges in full. We will offer support to customers to meet their accommodation related responsibilities whenever required.
- 2.4 We will increase rents once a year, in line with government policy and service charges will also be increase at least once a year. Additional service charge increases may take place after consultation with customers if there is a change in the actual cost of delivering services. We write to customers each year to tell them of any changes to their rent and charges, giving at least one month's notice before the changes take effect.
- 2.5 We send customers rent statements on a quarterly basis, or at the customer's request.
- 2.6 We offer customers a wide range of payment methods and information on how to pay their rent at sign up and offer advice on managing their finances, entitlement to benefits and assistance with making claims.

3. Payment Methods

- 3.1 We encourage a wide range of rent and service charge payment methods so that customers have a choice how to make their payments:

- **AllPay card** - this can be used in the Post Office and anywhere the PayPoint sign is displayed. The Landlord Services Team orders AllPay cards - often referred to as “rent cards” - for all new customers and replacements can be ordered via the Landlord Services E mail LandlordServices@lookahead.org.uk
- **Standing Order:** This is an instruction given by a customer to their bank to make regular fixed payments for their rent and/or service charge paid directly to us. The Landlord Services Team has a standing order request form which customers can take to their bank
- **Direct Debit:** A direct debit for rent and/or service charge payment is a financial transaction whereby we transfer payments direct from a customer’s bank account via the AllPay system after the customer supplies their bank details and consent. The direct debit is normally set up for the payment to be made weekly, fortnightly or monthly. A form can be requested from Landlord Services and a Housing Officer or Housing Administrator can set up the direct debit using the AllPay system.
- **Bank transaction:** We can provide our bank details to any customer with on-line banking who wishes to make a bank transfer.
- **Cash:** A small number of hostels in the organisation accept cash payments at reception – customers will be given a receipt.
- **Direct payments from DWP benefits:** Customers in receipt of some welfare benefits can have universal housing costs paid directly to us or a personal service charge can sometimes be deducted from benefits by the DWP and paid directly to us. Housing Officers can advise if this can be set up.

4. Arrears Recovery

- 4.1 We will contact customers whenever an expected payment is missed to support them to repay the arrears and prevent the debt from increasing. We will work with customers to agree a repayment plan that is fair and affordable to help them to clear the debt as quickly as practically possible.
- 4.2 We will continue to monitor rent accounts and work with customers that are struggling to pay their rent and/or service charges. We are committed to preventing unnecessary evictions and we will signpost customers to independent advice, where necessary, to provide specialist debt advice and support.
- 4.3 When considering taking legal action to recover the arrears we follow the Pre-Action Protocol for Possession Claims and may seek a money judgement with any possession order, in addition to an order for the costs incurred, where appropriate.

5. Rebilling

- 5.1 Where a customer's rent is being paid by the local authority (or another agency) on their behalf, this is known as a 'rebilling customer'. Under these circumstances the customer's rent is paid via an invoice generated by our Finance Team, and this is managed outside of our usual rent collection process. This typically applies to customers:
- Under-18 customers: when the local authority assumes the tenant's rent obligations.
 - No Recourse to Public Funds (NRPF): when the local authority covers rent for individuals who cannot claim housing benefit.
 - Spot-purchased or commissioned placements: individually funded support arrangements
- 5.2 Service Managers prepare and ensure a signed Rebilling Agreement and valid Purchase Order (PO) are in place with the funding authority before tenancy commencement for all third party-funded placements.
- 5.3 Service Managers submit a completed Rebilling Invoice Request form to Finance within 48 hours of tenancy commencement. Invoice requests must be updated promptly for any placement changes for example room moves, rent reviews, changes in eligibility or tenancy status to ensure invoicing remains accurate.
- 5.4 Service Managers obtain renewed POs for each placement at the start of each financial year reflecting any agreed rent or support charge increases. Updated Invoice Request forms and supporting documentation (such as signed rent review letters) must be provided to Finance to support the new billing terms.
- 5.5 Finance team raise rebilling invoices accurately and promptly upon receipt of all required documentation, applying Look Ahead's standard 30-day payment terms. Finance team record each issued invoice in the invoice register and reconcile payments against the rent ledger to ensure funds are allocated correctly.
- 5.6 Finance team monitor outstanding rebilling invoices and initiate arrears procedures for overdue accounts. All invoices not paid within 30 days of the invoice date are chased immediately. Any invoice unpaid 60 days after the invoice date are escalated to the responsible Service Manager and Head of Service for follow-up under the Arrears Escalation process.
- 5.7 Service Managers work with funding authorities to resolve any payment delays or disputes, providing necessary evidence of the agreed placement such as signed agreements, rent review documentation to secure payment. Heads of Service oversee these escalations and escalate unresolved arrears to the Director of Service for senior-level intervention or legal action as required.
- 5.8 Heads of Service and the Finance Income Manager hold monthly reviews of rebilling accounts, outstanding invoices, and arrears with the relevant Service Managers. These reviews should identify issues and assign corrective actions to ensure compliance with this policy and timely recovery of rebilled income.

6. Posting Rental Income

- 6.1 Bank statements for our rent account are received daily by the Rents Team in our Finance Department. The team are responsible for posting rental income. Payments are sorted by type – eg Allpay, Housing Benefit, Standing Orders, DWP, cash received at service – and uploaded onto the rents bank statement spreadsheet.
- 6.2 The customer payment files are downloaded from online Housing Benefit Landlord portals, Allpay Payment Hub or received by email. Each type of payment is then uploaded onto the relevant customer's account. After the posting stage, the batch number is generated, and the total of the batch is compared with the total amount received on the Rents' Bank Statement to ensure both amounts match.
- 6.3 Individual payments – where the CX account reference is missing (Standing Orders) or details cannot be found on CX – housing payments, DWP payments – and they cannot be identified by the Landlord Team remain unposted. Where these payments are part of the Housing Benefit Schedule/DWP Schedules they are posted to the CX Suspense Account and are held there until the information regarding CX account reference is available.
- 6.4 Payments must be posted to customers' accounts within one working day of the payment being received in the bank account.

7. Legal Action

- 7.1 We view eviction and legal action as a last resort and will take all reasonable steps to support customers to pay their accommodation charges and prevent debt. All action taken is recorded and must be provided as supporting evidence when considering legal action or eviction.
- 7.2 Permission to service possession notices must be approved by the Head of Operations, the Income Manager or the Head of Housing depending on the terms of the customer's occupancy agreement.
- 7.3 Customers' right to appeal is set out in the Notice of Seeking Possession/Notice Terminating Licence to Occupy/Notice to Quit, in line with our [Ending an Occupancy Policy](#). Approval to proceed to eviction must be obtained from an Executive Director who will consider each case on its own merits and decide whether eviction is a justifiable course of action.

8. Training

- 8.1 All staff complete a housing management induction session as part of their corporate induction into the organisation, and this includes an understanding of their role in preventing, monitoring and managing rent arrears. Staff also complete an e-learning session on the organisation's housing management system. Regular

training for operational staff is offered on welfare benefits, Housing Benefit and Universal Credit. Staff can also access NTQs in housing at different levels. Housing Management staff are offered specialist training in housing law and the county court possession process.

9. Performance Monitoring

- 9.1 We monitor rent arrears performance in order to ensure that income collection is effective in the organisation and that staff can identify trends. Our Performance Team produces monthly Key Performance Indicators ('KPIs') so that progress can be monitored.
- 9.2 Each scheme is given an arrears target at the start of each financial year - this is based on actual performance in the previous year and what would be considered a reasonable reduction for the year ahead. There is also an overall organisational target.
- 9.3 KPIs are reported in the following areas:
 - Overall actual organisational rent arrears against target as an amount and percentage – further broken down by Director, Specialism and Head of Service.
 - Rent arrears performance per service as an amount and percentage against target.
 - Services with consecutive monthly arrears increase
 - Housing Benefit payments received for new customers as a percentage of all new customers who entered the service.
- 9.4 Services are given a Red/Amber/Green status to help them monitor improvements. Rent arrears performance is discussed at all levels of the organisation including team meetings and senior management and leadership meetings. Performance is presented to the Board and reported to our funders and regulatory bodies.

Supporting Procedures, Documents and Guidance

Procedures

[Roles & Responsibilities](#)

[Excluded Licence Arrears Procedure](#)

[Protected, Assured and Assured Shorthold Arrears Procedure](#)

[Re-Billing Procedure](#)

[Spot Purchase Income Pathway](#)

Forms and Templates

[Repayment Agreement – Current Customer](#)

[Repayment Agreement – Former Customer \(FTA\)](#)

[Rebilling Invoice Request Form](#)

[NTLO Request Form](#)

[Request to Service NTL/NOSP/S21](#)

[Request for Director Permission to Evict](#)

[Approval for Bailiff Warrant Application](#)

[Annual PO Renewal Request Form](#)

Guidance

[Welfare Benefit Reforms](#)

Copies of these documents can be supplied on request

Record Keeping

We will comply with our Retention & Disposal Schedule which can be found by clicking [Here](#) or visiting our website at www.lookahead.org.uk

Inclusion & Diversity

We are committed to ensuring that Inclusion and Diversity runs through everything we do as an organisation and this includes our approach to income collection. We recognise that many of our customers face discrimination and disadvantage by virtue of having experienced homelessness, exploitation, having a disability, low income etc. All staff involved in the rent collection process treat all customers with respect and discrimination is actively challenged. We abide by the Equality Act 2010 and, where customers have a disability or protected characteristic, we will complete an Equality Act review before commencing with legal proceedings for rent arrears. In particular we will look at whether a customer's disability may have contributed to their rent arrears and whether our action is reasonable and proportionate. We will look at practical measures to assist customers such as interpreting services and information in other languages. We will refer customers to debt advice agencies and welfare benefit advice. We will link customers with legal advice centres and local housing solicitors. We will only consider eviction as a last resort where other options have failed. We will also produce and monitor statistics on arrears evictions which will be presented to the senior leadership team and management board.

Policy Sign Off and Ownership	
Document Name	057.00_Income-Recovery
Version	4.0
Who was consulted?	N/A
Approved By/Date	Policy Group – May 2025
Date for Review	May 2030
Author	Income Manager
Owner (if different)	Head of Housing
Document Location	SharePoint
Compliance Measures	Look Ahead will produce regular reports to the Senior Leadership Team on arrears evictions analysing trends and correlations across the organisation. Look Ahead will review arrears evictions on a quarterly basis and consider “lessons learnt”
Related Policies/Procedures	Ending An Occupancy Policy
Relevant Legislation and Regulatory Requirements	

Version History			
Version	Date	Description of Changes	Author
2.0	Nov 2023	Planned review	██████████
3.0	Dec 2024	Updated to reflect audit recommendations: • Welfare Benefit Reforms linked • Roles & Responsibilities linked • E&D Section updated • Posting rental income section added • Definitions added • Performance monitoring and training added • Details of payment methods added	██████████ ██████████
4.0	June 2025	Clarity on the re-billing process and procedure added.	██████████